Ontario

ONTARIO MUNICIPAL PARTNERSHIP FUND

Technical Guide

Addendum

March 2006

This addendum to the 2006 OMPF Technical Guide provides details on the new Income Threshold Component of the Social Programs Grant only. For information on other OMPF grants, please consult the full text of the 2006 OMPF Technical Guide issued in January 2006.

Ministry of Finance

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INTRODUCTION

As announced in the 2006 Ontario Budget, a new Ontario Municipal Partnership Fund (OMPF) grant component has been introduced. This new component of the Social Programs Grant will provide $56 million in support to municipalities with high social program costs relative to the household incomes of their residents.

The New Income Threshold Component of the Social Programs Grant

This new grant component will be a permanent enhancement to the OMPF starting in 2006. In conjunction with the existing OMPF grant components that target funding to communities with limited property assessment or tax revenue, the government is providing a total of $262 million to municipalities to help offset their social program costs.

This new grant component is designed to respond to suggestions from the municipal sector to use household income, in combination with property assessment and tax revenue, as a broader measure for targeting additional assistance to municipalities with limited capacity to meet their share of social program costs.

OVERVIEW

The Ontario Municipal Partnership Fund (OMPF) assists municipalities with their social program costs; includes equalization measures; addresses challenges faced by northern and rural communities; and responds to policing costs in rural communities. The OMPF replaced the Community Reinvestment Fund (CRF) in 2005 as the Province's main transfer payment to municipalities.

With this enhancement in 2006, the OMPF will provide $763 million to 393, or 89 per cent, of municipalities in Ontario. Compared to funding announced in March 2005, this represents an increase of $107 million, or 16 per cent. Compared to CRF payments in 2004, this represents an increase of $145 million, or 23 per cent.

	Allocation	**Year-over-Year increase**
2005 OMPF	*$656 million*	*$38 million, or 6.1%*
*2006 OMPF**	*$763 million*	*$107 million, or 16%*

* Figures updated in March 2006 to reflect the introduction of the Income Threshold Component of the Social Programs Grant.

Increased funding for the OMPF in 2006 further demonstrates the government's overall commitment to supporting municipalities, which also includes:

- More than $1.4 billion in provincial gas tax funding over five years.
- Increasing the Province's share of public health funding to 75 per cent by 2007.
- $298 million towards the $900 million fund for the Canada–Ontario Municipal Rural Infrastructure Fund.
- Up to $2.4 billion in infrastructure loans through the Ontario Strategic Infrastructure Financing Authority.
- $300 million over the next three years to move towards a 50:50 partnership for the cost of municipal land ambulance services by 2008.
- Investing $400 million in 2006 to help municipalities primarily outside of the GTA — with emphasis on rural and northern communities — invest in municipal roads and bridges.

THE ONTARIO MUNICIPAL PARTNERSHIP FUND: GRANTS AND COMPONENTS

The Ontario Municipal Partnership Fund will provide municipalities with $763 million in funding in 2006 through four grants:

I. Social Programs Grant — $240 million*

Provides funding to assist municipalities with limited property assessment and lower household income to support the municipal share of social program costs through two components:

- Assessment Threshold — $184 million
- Income Threshold — $56 million

II. Equalization Grant — $197 million

Provides funding to municipalities with limited property assessment through two components:

- Assessment Equalization — $149 million
- Farmland and Managed Forest Assessment — $48 million

III. Northern and Rural Communities Grant — $260 million

Provides funding to northern and rural communities to recognize their unique challenges through four components:

- Rural Communities — $150 million
- Northern Communities — $82 million
- Northern and Rural Social Programs — $22 million
- Stabilization — $6 million

IV. Police Services Grant — $66 million

Provides funding to rural communities to support policing costs.

* Figures updated in March 2006 to reflect the introduction of the Income Threshold Component of the Social Programs Grant.

SOCIAL PROGRAMS GRANT – INCOME THRESHOLD COMPONENT

This grant component provides funding to municipalities with high social program costs relative to the household incomes of their residents. As with the other social program grant components, this component is designed to support the municipal share of eligible social program costs (for a definition of eligible costs see the 2006 OMPF Technical Guide, Appendix A).

Funding of up to $35 per household is provided to municipalities whose net social program costs exceed 0.75% of the total household incomes of their residents.

⇨ ***Net social program costs for this calculation are:***
Total social program costs less the funding provided through the Assessment Threshold Component of the Social Programs Grant and the Northern and Rural Social Programs Grant Component.

This grant assists municipalities in meeting the municipal portion of the established cost-sharing arrangements for social programs. The Province will continue to fund its portion of the cost-shared programs, as well as provide additional funding through the OMPF to help municipalities pay for their share of these arrangements.

Distribution: The Income Threshold Component of the Social Programs Grant is distributed to upper- and single-tier municipalities.

Example A1.1

- Municipal share of eligible social program costs: $8,500,000
- Funding provided through the Assessment Threshold and Northern and Rural Social Programs Grant Components: $1,500,000
- Residual social program costs (costs net of the Assessment Threshold and Northern and Rural Social Programs Grant Components): $7,000,000
- Total household income from all residents: $500,000,000

Income Threshold for municipality:
$500,000,000 x 0.75% = $3,750,000

Grant Component: $7,000,000 – $3,750,000 = $3,250,000

Data Sources to support the calculation of this grant component:

- Social Program Costs – See 2006 OMPF Technical Guide, Appendix A
- Average Household Income Data – 2001 Census, Statistics Canada

ADDITIONAL INFORMATION

This Addendum to the 2006 OMPF Technical Guide and other supporting materials are posted in English and French on the Ministry of Finance website at:
www.fin.gov.on.ca/english/community/ompf/
www.fin.gov.on.ca/french/community/ompf/

If you require additional information regarding your 2006 OMPF allocation, you may contact your local Municipal Services Office of the Ministry of Municipal Affairs and Housing, or e-mail your inquiries and your contact phone number to: info.ompf@fin.gov.on.ca.

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